

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
COLUMBIA, SOUTH CAROLINA

HEARING #12-11266

FEBRUARY 15, 2012

10:35 A.M.

**ALLOWABLE EX PARTE BRIEFING – DOCKET NO. 2011-329-C**

*REQUESTED BY SOUTH CAROLINA OFFICE OF REGULATORY STAFF –*

Pursuant to Order No. 2012-90, required presentation regarding the proposed calculation of an alternative bond amount and how, in compliance with South Carolina Code Ann. Reg. 103-607, ORS weighs the criteria listed, i.e., the number of customers, retail price for service, and financial resources of the carrier

**TRANSCRIPT OF  
PROCEEDINGS**

**COMMISSIONERS PRESENT:** John E. 'Butch' HOWARD, *CHAIRMAN*; and COMMISSIONERS Elizabeth B. 'Lib' FLEMING, G. O'Neal HAMILTON, Randy MITCHELL, and Swain E. WHITFIELD

ADVISOR TO COMMISSION: F. David Butler, Esq.

**STAFF:** Joseph Melchers, General Counsel; James Spearman, Ph.D., Executive Assistant to the Commissioners; B. Randall Dong, Esq., and Josh Minges, Esq., Legal Staff; Tom Ellison and Lynn Ballentine, Advisory Staff; Jo Elizabeth M. Wheat, CVR-CM-GNSC, Court Reporter; and Hope Adams and Deborah Easterling, Hearing Room Assistants

**APPEARANCES:**

**NANETTE S. EDWARDS, ESQUIRE**, along with **DAWN M. HIPP** [Director/Telecommunications, Transportation & Water/Wastewater Department], presenter, representing the SOUTH CAROLINA OFFICE OF REGULATORY STAFF

**WILLIAM JAMES LaLIMA, ESQUIRE**, acting as Non-Staff Certificator

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Please note the following inclusions/attachments to the record (available to the Commission during proceedings):

- PSCSC Directive/Order No. 2012-90  
<http://dms.psc.sc.gov/pdf/orders/79873C3D-155D-2817-10773183429E61E3.pdf>
- S.C. Code Ann. Reg. 103-607: Bonds or Other Security Mechanisms  
[\[http://www.psc.sc.gov/laws/State\\_Register\\_2011\\_Vol35\\_Issue6.pdf\]](http://www.psc.sc.gov/laws/State_Register_2011_Vol35_Issue6.pdf)

P R O C E E D I N G S

**CHAIRMAN HOWARD:** Please be seated. Good morning and welcome, everyone. At this time, I'll turn it over to Attorney Butler to read the docket.

**MR. BUTLER:** Thank you, Mr. Chairman, other members of the Commission. This is Docket No. 2011-329-C.

The Commission has received a number of requests for waiver of a bond requirement under Regulation 103-607. The petitioners have stated that the bond required under that regulation is overly burdensome to some small telecommunications companies. Recently, the Commission has received a number of requests for alternative bond amounts, based on a formula which was devised in discussions between petitioners and the Office of Regulatory Staff. And I know Ms. Hipp will address this, but the formula apparently is the average monthly charge per customer, times the number of customers, times two months.

The Commission, on February 1st, moved that all petitions for waiver be held in abeyance and that the oral arguments that were scheduled for today be canceled; and then the Commission requested, under this motion that was adopted by

1 the Commission, that an allowable ex parte be held  
2 today at 10:30 in the morning, for ORS to make a  
3 presentation regarding the proposed calculation of  
4 the alternative bond amount, and how, in compliance  
5 with the regulation, the various criteria would be  
6 waived.

7 Mr. Chairman, members of the Commission, the  
8 docket is in order. And, Mr. Chairman, I would  
9 note for the record that our neutral in this case  
10 is an attorney who is with us today, by the name of  
11 Mr. William James LaLima. And he is with us and  
12 prepared to make a short statement to you.

13 **CHAIRMAN HOWARD:** Mr. LaLima.

14 **MR. LaLIMA:** Hi. Good morning, Commissioners.  
15 I'm here pursuant to South Carolina Code 58-3-260,  
16 to serve as the neutral and just verify that  
17 everything is submitted and in order. And that is  
18 the extent of my involvement. I appreciate your  
19 time this morning, and look forward to seeing you  
20 again sometime.

21 **CHAIRMAN HOWARD:** Glad to have you with us.  
22 Office of Regulatory Staff.

23 **MS. EDWARDS:** Good morning. Mr. Chairman,  
24 members of the Commission, the Office of Regulatory  
25 Staff is here pursuant to your request for an

allowable ex parte briefing on 103-607. And if it's appropriate, I will, at this time -- our presenter is Ms. Dawn Hipp, the director of the Telecommunications Department.

**CHAIRMAN HOWARD:** Good morning, Ms. Hipp.

**MS. HIPPI [ORS]:** Good morning. Well, good morning, Chairman and Commissioners. I appreciate the opportunity to come before you this morning to talk a little bit about some of the conversations that we've had with the petitioners in this docket, specifically relating to Regulation 103-607.

As part of our mission, we're to balance the public interest -- which is the needs of the consumer, financial viability of the utility, and economic development -- and when we saw waivers being filed in this docket by carriers, we wanted to make sure that we reached out to them to see what their concerns were with adhering to the Commission's regulation.

We had originally notified each of the carriers -- applicable carriers -- that this regulation had gone into effect and that they had a time period to come into compliance, or indicate that a waiver was needed, or how they were coming into compliance. And the majority of the carriers

1 have done that.

2 What we're seeing and talking about today are  
3 the waivers of the carriers that have requested an  
4 out-and-out waiver of the Commission's requirement  
5 for the performance bond, and ORS has stated the  
6 position that all carriers who meet the criteria  
7 laid out in the Commission's regulation -- meaning,  
8 who are providing basic local residential service  
9 -- be required by the Commission to post a bond,  
10 and that the Commission could definitely take a  
11 look at its regulations and set a bond amount using  
12 some alternative criteria.

13 So, through our discussions, we found that  
14 carriers that have less than 500 customers do  
15 struggle with the requirement and the expense  
16 related to posting a performance bond. The new  
17 entrants coming into the market here in South  
18 Carolina are aware of the performance bond  
19 requirement, either through conversations with our  
20 office or their due diligence in filing the  
21 application, and so they're able to create a  
22 business model that covers -- that they can build  
23 in those business expenses into what their pricing  
24 structure is for the State. However, the existing  
25 small carriers -- those that have roughly less than

500 customers -- are struggling with the expense of that. And what they've indicated to our office is that it's cost-prohibitive for them to file a performance bond; they've run into some difficulty finding companies to write a performance bond. And we have offered the Commission's regulation, demonstrating that there are other types of sureties that they can use, but the sticking point seems to be that minimum dollar requirement: \$100,000 for a surety, using a performance bond or an irrevocable letter of credit, or \$50,000 with a certificate of deposit.

So through discussions with the petitioners, ORS took a look at the regulation and came back with a proposal, through these discussions, of using the formula that was laid out in the order: The number of customers as of 12/31/2011, the average monthly retail residential -- retail price for residential basic local service, and multiply that by two months. And the two months was selected as a compromise position. We tried to tie it back to the Commission's existing regulation on customer deposits, and that is Regulation 103-621.2, which requires, if a carrier requires a consumer to place a deposit, that it be no more

1           than two months' worth of service.

2           And so two months looks to us to be a  
3           commercially reasonable alternative for these small  
4           carriers. It was agreeable to the carriers that we  
5           discussed, that have made subsequent filings with  
6           this Commission. And we think that, overall, it  
7           balances the need for consumer protection -- which  
8           is somewhat the design of this regulation -- and  
9           the viability of the carrier. Should the  
10          performance bond be revoked by the Commission, a  
11          two-month period of service would allow the  
12          consumer to be reimbursed for any service that they  
13          had paid for and not received, and also a partial  
14          deposit if one was required by the carrier.

15          We did take a look at the weighting of that  
16          and the financial resources criteria that the  
17          Commission has spelled out in its regulation, and  
18          our position on financial resources, as we had  
19          stated in our original correspondence, is that it's  
20          a difficult benchmark -- it's difficult to  
21          benchmark that, with carriers. The financial  
22          resources can change rapidly in a 12-month period,  
23          and these carriers are only required to post a  
24          performance bond on an annual basis.

25          We would advocate or we would recommend that a



1 benchmark be established, and we have stated that  
2 in our original correspondence in this docket. And  
3 just to offer an example of financial resources,  
4 for example, a carrier with approximately 5,000  
5 customers in South Carolina has listed on its  
6 annual report for 2010 that it does have total  
7 operating revenue over \$2 million. However, it is  
8 operating at a \$1/2 million loss, based on its  
9 annual report; it has no facilities in South  
10 Carolina; and right now, it's looking to exit the  
11 market, and possibly an abrupt exit. And so, a  
12 snapshot based on the annual report is one that can  
13 change rapidly.

14 So in conclusion, we do again -- our position  
15 is that a performance bond should be required of  
16 all of the carriers who provide the types of  
17 service -- the basic residential local services.  
18 We think that the surety amount should be based on  
19 the minimum stated in the regulation or, in the  
20 alternative, using the formula number of customers  
21 as of the year-end, multiplied by the average  
22 monthly retail price, multiplied by two months.

23 And with that, I'll take any questions that  
24 you might have.

25 **CHAIRMAN HOWARD:** Commissioners, any questions

1 of Ms. Hipp? Commissioner Fleming.

2 **COMMISSIONER FLEMING:** Good morning.

3 **MS. HIPP [ORS]:** Good morning.

4 **COMMISSIONER FLEMING:** So this alternative  
5 would be just for companies that have 500 or fewer  
6 customers?

7 **MS. HIPP [ORS]:** That's a good question. We  
8 have run the math -- with the petitioners in this  
9 case, we have done the math, and what we're finding  
10 is that those carriers that have over 500 customers  
11 -- depending on what their monthly retail price is  
12 -- they tend, at times two months, to get right to  
13 the minimum, the \$100,000 or \$50,000. And through  
14 different discussions with some of the petitioners,  
15 we have found carriers who, after they run the math  
16 on this alternative position, are looking to move  
17 towards a certificate of deposit of \$50,000.

18 **COMMISSIONER FLEMING:** Okay. So it sounds  
19 like you're recommending it for 500 customers or  
20 less.

21 **MS. HIPP [ORS]:** That's simply an example. We  
22 found that small carriers, based on the petitioners  
23 in this case that do have 500 customers or less,  
24 would struggle to meet the minimum, expensewise.

25 **COMMISSIONER FLEMING:** Okay. So they would be

1 the ones that would be most readily acceptable of  
2 this alternative?

3 MS. HIPP [ORS]: I can't speak across the  
4 board, Commissioner. I can only speak to those  
5 carriers that we have spoken with in this petition.

6 COMMISSIONER FLEMING: Okay. And if it's the  
7 average retail, how will that preserve the deposit  
8 for the customer, if they leave? Didn't you say it  
9 was the average retail cost, times two?

10 MS. HIPP [ORS]: Right.

11 COMMISSIONER FLEMING: But how does that take  
12 into account the deposit?

13 MS. HIPP [ORS]: It does not take into account  
14 the full deposit.

15 COMMISSIONER FLEMING: So the --

16 MS. HIPP [ORS]: It would only be a partial --

17 COMMISSIONER FLEMING: -- customer could still  
18 be left without their deposit.

19 MS. HIPP [ORS]: Yes, if a deposit was  
20 collected. What we are finding is that many  
21 carriers do not require a deposit of their  
22 customers.

23 COMMISSIONER FLEMING: Okay. And do you see  
24 that this could negatively impact those who are  
25 capable of doing as the regulation is now written?

1 Do you see this opening up kind of a can of worms  
2 in dealing with them, with this performance bond,  
3 because of, you know -- it's there for a good  
4 reason, to protect the customer.

5 MS. HIPP [ORS]: It is. It is there for --  
6 and we would agree with that. I don't know that it  
7 will open a can of worms. We're seeing carriers  
8 fall into different buckets, if you will. We have  
9 the carriers who don't offer the service and would  
10 not be required; they fall into one bucket. Then  
11 we have the carriers who are operating in South  
12 Carolina, who have facilities through theirs and  
13 their affiliates that meet the \$5 million. We have  
14 carriers -- CLECs -- that have posted either a  
15 certificate of deposit or an irrevocable letter of  
16 credit. And then we have some whom we have not  
17 heard from.

18 COMMISSIONER FLEMING: So it does sound like,  
19 if the regulation is modified -- to me -- that it  
20 needs to have kind of a certain criteria for this,  
21 but I guess what I'm asking -- how could your  
22 proposal be modified to include the deposits that  
23 are being made, so that the customer will be  
24 protected?

25 MS. HIPP [ORS]: The Commission could consider

1 a longer time period. Instead of just two months  
2 of service, the Commission could consider more. I  
3 had originally taken a very hard-line approach and  
4 said 12 months of service; you know, we'd look for  
5 a bond for 12 months of service. The companies  
6 that we talked with, you know, weren't able to  
7 compromise on that. So we backed up, took a look  
8 at what was in the Commission's regulations in  
9 terms of time periods, and --

10 **COMMISSIONER FLEMING:** But you could increase  
11 the months.

12 **MS. HIPP [ORS]:** The Commission certainly  
13 could, uh-huh.

14 **COMMISSIONER FLEMING:** Okay. I just wonder  
15 how stable the company is, if they are having such  
16 a problem.

17 **MS. HIPP [ORS]:** It's a very good question.

18 **COMMISSIONER FLEMING:** I mean, because I'm  
19 thinking in terms of the customer, because I think  
20 we have to really be concerned that they are  
21 getting the service that they are paying for and  
22 that they deserve.

23 **MS. HIPP [ORS]:** There are some -- you know,  
24 the small companies that we are seeing that have  
25 less than 20 customers, you know, do struggle. I

mean, it is a marketplace where you are going to struggle. Landline access lines are declining. If you have 20 customers -- not that your service is not valuable; it is valuable, and it is very valuable to those 20 customers -- it is difficult to end the year on a positive note, financially. And so this definitely will make an impact on those carriers. However, entrants coming into the market already know that this requirement exists in South Carolina and can make adjustments to their pricing structure if they plan to do this --

**COMMISSIONER FLEMING:** But a month or two more shouldn't negatively impact --

**MS. HIPPI [ORS]:** I couldn't answer that, Commissioner.

**COMMISSIONER FLEMING:** Okay. Thank you.

**COMMISSIONER HAMILTON:** Mr. Chairman.

**CHAIRMAN HOWARD:** Commissioner Hamilton.

**COMMISSIONER HAMILTON:** Hey, Ms. Hipp.

**MS. HIPPI [ORS]:** Good morning.

**COMMISSIONER HAMILTON:** Happy to have you back. Let me ask you a question. How many of these companies require a deposit? Most of the ones that I'm familiar with, it's prepaid.

**MS. HIPPI [ORS]:** I don't know, Commissioner.

1           The companies we have dealt with here and the ones  
2           that we have spoken with, I believe only one was  
3           requiring a deposit of their customers.

4           **COMMISSIONER HAMILTON:** It would be unusual  
5           for a prepaid service to have a deposit also, I  
6           would think.

7           **MS. HIPP [ORS]:** It depends on if they're  
8           dealing with a credit-challenged population. You  
9           know, definitely, if it's a CLEC who's reselling  
10          Lifeline services, there are deposits required of  
11          those Lifeline customers. But I don't -- I could  
12          not tell you how many are requiring a deposit.

13          **COMMISSIONER HAMILTON:** And what you're  
14          recommending today is 500 customers -- it's  
15          either/or. Either the bond, the minimum bond, or  
16          the two months' deposit.

17          **MS. HIPP [ORS]:** For the petitioners that are  
18          within this docket, what our review yielded was  
19          that any petitioner with 500 or less customers has  
20          expressed a struggle, expensewise, to meet the  
21          minimum requirements. And I'm not asking the  
22          Commission in this ex parte to consider  
23          establishing a different benchmark at 500  
24          customers; I was simply letting you know what our  
25          research had yielded.

1                   **COMMISSIONER HAMILTON:** As I recall the  
2 previous correspondence, I believe one of the  
3 companies had said if there was any bond required,  
4 they would have to close up. How many people,  
5 companies, in this situation has ORS discussed this  
6 matter with.

7                   **MS. HIPP [ORS]:** We have discussed it with all  
8 of the petitioners, and then also had numerous --

9                   **COMMISSIONER HAMILTON:** That's three?

10                  **MS. HIPP [ORS]:** No, I believe there's seven.

11                  **COMMISSIONER HAMILTON:** Seven?

12                  **MS. HIPP [ORS]:** Uh-huh, that have requested a  
13 waiver. And then we've fielded numerous phone  
14 calls regarding the requirement. We do have  
15 companies that have not complied with the request  
16 or indicated what their position is, one way or the  
17 other. We do have carriers that are serving --  
18 such as Lightyear -- 14, 15 customers in the State.

19                  **COMMISSIONER HAMILTON:** Thank you.

20                  **CHAIRMAN HOWARD:** Commissioner Mitchell.

21                  **COMMISSIONER MITCHELL:** How you doing, Ms.  
22 Hipp?

23                  **MS. HIPP [ORS]:** I'm good. How are you?

24                  **COMMISSIONER MITCHELL:** Good. Is that  
25 requirement now for a year, unless they get this



1 bond? Let's say a company changes dynamics in  
2 midstream of when they've applied. What happens to  
3 them? Is that for a year --

4 MS. HIPP [ORS]: It's --

5 COMMISSIONER MITCHELL: -- that they file?  
6 They file for a year, and 500-or-less are qualified  
7 for a year; is that correct?

8 MS. HIPP [ORS]: It's reviewed on an annual  
9 basis. Our office would intend to review,  
10 according to the regulations, the bond for each  
11 company on an annual basis.

12 COMMISSIONER MITCHELL: Okay.

13 MS. HIPP [ORS]: And it would either need to  
14 be renewed, or the bond would be evergreen for a  
15 certain period -- similar to what we see in water  
16 and wastewater.

17 COMMISSIONER MITCHELL: Right. Now, so in  
18 essence, a company, a reseller that bills within  
19 the State, that hires within the State, that has  
20 employees and has a tax base in the State of South  
21 Carolina, then technically, you know, they could  
22 say they're being penalized for doing that, where  
23 we have other resellers that don't own anything but  
24 a switch, carry all their money out of state, and  
25 they're getting a bargain, aren't they?

1                   **MS. HIPP [ORS]:** To be exempted from the  
2 regulation, you have to have \$5 million of  
3 facilities --

4                   **COMMISSIONER MITCHELL:** Right.

5                   **MS. HIPP [ORS]:** -- within the State.

6                   **COMMISSIONER MITCHELL:** I understand that.

7                   **MS. HIPP [ORS]:** If you have less than \$5  
8 million, you would be required to post a  
9 performance bond --

10                  **COMMISSIONER MITCHELL:** Right.

11                  **MS. HIPP [ORS]:** -- according to the  
12 regulations.

13                  **COMMISSIONER MITCHELL:** Right. Okay. And as  
14 Commissioner Fleming asked earlier, your suggestion  
15 -- or you don't have a suggestion, I don't believe,  
16 but you said it was left up to the Commission. As  
17 far as extending the time, as far as protection to  
18 the consumers, did you have a comment on that?

19                  **MS. HIPP [ORS]:** Well, the time period was one  
20 -- the two months was one that we spoke with the  
21 intervenors, several of -- the petitioners -- and  
22 took a look at the time frames and the deposit  
23 regulations, customer deposit regulations, and made  
24 a recommendation that two months could be  
25 considered as an alternate time frame.

1                   **COMMISSIONER MITCHELL:** Was that just  
2                   generally a compromise between y'all and the ones  
3                   qualifying under 500, or --

4                   **MS. HIPP [ORS]:** Yes, sir. And it isn't with  
5                   all of the petitioners in this docket, either, so  
6                   there has not been a compromise or settlement  
7                   reached with them. They're -- with several of the  
8                   carriers who have filed subsequent letters with the  
9                   Commission, they have adopted or looked at that  
10                  proposal as a way for them to meet the requirements  
11                  of the Commission.

12                  **COMMISSIONER MITCHELL:** Right. So the hand's  
13                  stretched out to all the people? Or just the ones  
14                  that  
15                  are --

16                  **MS. HIPP [ORS]:** No. No; all of the  
17                  petitioners, yes, sir.

18                  **COMMISSIONER MITCHELL:** Okay. Thank you.

19                  **CHAIRMAN HOWARD:** Commissioner Whitfield.

20                  **COMMISSIONER WHITFIELD:** Thank you, Mr.  
21                  Chairman. I've got a couple of questions, Ms.  
22                  Hipp, to kind of follow up where Commissioner  
23                  Mitchell just left off. He was asking about the  
24                  two months, and I think you said you had taken,  
25                  initially, a harder line of 12 months. So you're

1 coming back with the two months -- I guess what  
2 you're saying is if we went a little longer, three  
3 or four months -- closer to the two but, you know,  
4 way away from the 12 that you had originally said,  
5 I think -- right?

6 MS. HIPP [ORS]: The Commission could consider  
7 a time period in between. If the Commission is  
8 interested in 12 months, that was my original  
9 position; but through trying to find a compromise,  
10 that was not something that the individual  
11 petitioners that wanted to discuss an alternative  
12 were interested in.

13 COMMISSIONER WHITFIELD: And as far as -- my  
14 next question -- as far as ORS is concerned, having  
15 different -- with this formula, you'd technically  
16 have a different set of books or set of  
17 circumstances, if you will, with each carrier.  
18 Would that be a little difficult -- more difficult  
19 for you all to keep up with?

20 MS. HIPP [ORS]: No. We're tracking it right  
21 now, using the database. And we do have a  
22 spreadsheet created, until we get through the first  
23 year. So we are prepared to track that in a way  
24 that allows us to do an annual review, and revisit,  
25 using the documents that the carriers already are

1 submitting to the Commission, as a basis for  
2 whatever the Commission should decide is  
3 appropriate criteria. We're not looking to ask the  
4 carriers to submit additional information.

5 **COMMISSIONER WHITFIELD:** So no additional  
6 effort or work required on your part.

7 **MS. HIPP [ORS]:** Just a review of the annual  
8 report document, and then a review of the  
9 performance bond once everybody is in compliance on  
10 their performance bond status, whether it means  
11 they are exempt, they've received a waiver from the  
12 Commission, the bond amount was set at a different  
13 amount than the minimum for that carrier. We can  
14 track that, yes, sir.

15 **COMMISSIONER WHITFIELD:** You give an example  
16 of a carrier, I think, that had about \$2 million in  
17 annual revenue, and 5,000 customers I think you  
18 said?

19 **MS. HIPP [ORS]:** Yes, sir.

20 **COMMISSIONER WHITFIELD:** Something like that?

21 **MS. HIPP [ORS]:** Uh-huh.

22 **COMMISSIONER WHITFIELD:** And losing \$1/2  
23 million a year. It does look like somebody in that  
24 category, while they may not have the assets, they  
25 ought to be able to qualify for a letter of credit

1 or something. What are you finding most of them  
2 are doing? Are they going to irrevocable letter of  
3 credit, performance bond, or which route are you --  
4 I know you talked about which bucket everybody was  
5 in.

6 **MS. HIPP [ORS]:** Right now, we only have two  
7 that I believe have filed with the Commission. One  
8 has filed a certificate of deposit and the other an  
9 irrevocable letter of credit. A performance bond  
10 has not been filed with the Commission yet, and the  
11 carriers that we are speaking to are looking  
12 towards a CD or an irrevocable letter of credit.

13 I can't speak for all, but those were the ones  
14 that our office has spoken with.

15 **COMMISSIONER WHITFIELD:** Thank you. Thank  
16 you, Ms. Hipp. That's all I have, Mr. Chairman.

17 **CHAIRMAN HOWARD:** Mr. Butler.

18 **MR. BUTLER:** Yes, thank you, Mr. Chairman.  
19 How you doing, Ms. Hipp?

20 **MS. HIPP [ORS]:** I'm good.

21 **MR. BUTLER:** I just have, really, one question  
22 for you. I know you made reference to the fact  
23 that you had discussed this formula with a number  
24 of applicants, but you also made the statement  
25 that, in your opinion, the new formula could be

1           useful for a company with 500 customers or less.  
2           Has ORS looked at their records to try to determine  
3           how many companies might fit into that category?

4           **MS. HIPP [ORS]:** We have not. No.

5           **MR. BUTLER:** Okay. I was just curious to see  
6           whether or not, you know, we would be faced with an  
7           onslaught of such petitions, or whether, you know,  
8           it would just be a few.

9           **MS. HIPP [ORS]:** We have not.

10          **MR. BUTLER:** Okay. All right. Thank you,  
11          very much.

12          **CHAIRMAN HOWARD:** Commissioners, any more  
13          questions?

14                       [No response]

15          Ms. Hipp, you did a fantastic job. Thank you,  
16          very much.

17          **MS. HIPP [ORS]:** Thank you.

18          **CHAIRMAN HOWARD:** We'll look at it and get  
19          back with you.

20          **MS. HIPP [ORS]:** Thank you.

21          **CHAIRMAN HOWARD:** Mr. LaLima, you did a great  
22          job, too. Thank you for coming.

23          **MR. LaLIMA:** My pleasure.

24          **CHAIRMAN HOWARD:** With that, the briefing is  
25          dismissed. Thank you very much for coming.

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[WHEREUPON, at 11:00 a.m., the  
proceedings in the above-entitled matter  
were adjourned.]


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C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had in an allowable ex parte briefing held in the above-captioned matter before the Public Service Commission of South Carolina.

Given under my hand, this the 16<sup>th</sup> day of February, 2012.

  
Jo Elizabeth M. Wheat, CVR-CM-GNSC

ATTEST:

  
Jocelyn G. Boyd,  
CHIEF CLERK/ADMINISTRATOR